

**Water/Wastewater Commissioners’
Meeting Minutes
September 30, 2014**

Present: Michael E. Putnam, Chairman
Dale A. White, Vice-Chairman
Robert E. Courage, Member
David Boucher, Director
Evelyn Gendron

Call to Order

Chairman Putnam called the meeting to order at 6:05 p.m. asking Director Boucher to introduce the commissioners’ first appointment and topic scheduled for this evening. Mr. Boucher said Mr. Chris Berg, Wright-Pierce, is here to summarize the results of the Dram Cup sealed bid opening held at 2:00 p.m. on Friday, September 26, 2014. Mr. Berg gave a charted recapitulation of the bid facts received, explaining that seven bidders had submitted pricing for a total base bid split, between two water storage tank restorative items, with options. He distributed, explained, and answered the commissioners’ questions regarding the 11” x 17” spreadsheet that detailed the seven bidders: (D N Tanks, John W. Egan, RJ Forbes Painting Contractor, Utility Service Company, Marcel A. Payeur, Knowles Industrial Services, and Amtech Coatings), the two base bid items (#1: Interior Tank Cleaning and Painting – Option 1, Fall 2014; and #2: Repair of Tank Interior Ceiling Concrete – Option 1, Fall 2014), and the pricing for the seven associated alternate bid sub-categories including a three year maintenance bond as well as seasonal timeframes to accomplish specified work (in the fall of 2014 and in the spring of 2015). A copy of the Wright-Pierce Dram Cup Hill Tank Restoration Project No. 12884A spreadsheet depicting Mr. Berg’s tabulation of bid results is attached to these minutes as a permanent record. Discussion ensued regarding products, application processes, and the inspection of work to be performed. When the commissioners indicated there were no further bid questions, Mr. Berg inquired whether the commissioners wanted to make a decision this evening. Vice-Chairman White asked Director Boucher for his professional recommendation. Mr. Boucher said he has no reservations with utilizing D N Tanks, a company experienced with using the desired product designed for potable water. Vice-Chairman White made the motion to select D N Tanks as the successful bidder for the Dram Cup Water Tank Lining Project, end the bid process delays and advance this project toward completion during the fall of 2014, at a total price of \$162,400 with the bid breakdown as follows:

\$ 2,500.00	Three Year Maintenance Bond
153,400.00	Interior Tank Cleaning and Painting, Fall 2014
<u>6,500.00</u>	Repair of Tank Interior Ceiling Concrete, Fall 2014
\$162,400.00	

Commissioner Courage seconded the motion. Chairman Putnam asked if all were in favor. Mr. Putnam and Mr. White said “Aye”. Chairman Putnam asked if anyone was opposed. Commissioner Courage said “Aye” and repeated “Aye” a second time. Chairman Putnam asked Mr. Courage to clarify whether the “Aye” was for opposed or in favor. Mr. Courage replied with dissent. Chairman Putnam indicated

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the motion carries, commenting “It’s a done deal.” Director Boucher asked to clarify this project will be completed in the fall of 2014. Vice-Chairman White and Mr. Berg both said yes. Chairman Putnam signed the Notice of Award to D N Tanks in the amount of \$162,400.00 for the fall 2014 option with the maintenance bond. Director Boucher made a photocopy of the signed Notice of Award. Mr. Berg said since this is a SRF project, the NH DES will need to concur with the award recommendations and that correspondence would be forwarded to Mr. Dan Dudley, NH DES Revolving Loan Funds Department. Vice-Chairman White asked Director Boucher whether he is comfortable with this project advancing during this season’s weather temperatures and current water demand should a water storage tank be taken off-line. Mr. Boucher replied yes, as the bulk water season has passed, sprinkler systems are being flushed, and project bid specifications indicate heat must be provided as needed. Mr. Berg said he would distribute the award information right away. Mr. Berg thanked the commissioners.

Mr. Steve Clifton, Underwood Engineers, the commissioners’ second appointment of the evening, introduced himself, briefly explained his background in the wastewater industry, and said he had met with Director Boucher and Mr. Jack Sheehy, Director of Financial Operations, regarding expenditures, Operations & Maintenance, capital reserve revenue, and proposed Capital Improvement Plan details pertinent to the Comprehensive Wastewater Facilities Plan and Sewer Rate Study. Mr. Clifton distributed spreadsheets depicting (base year) 2013 Sewer Rate Study Variables, 2013 Sewer System Revenue, bond payment schedules, billed sewer flows and projected revenue through 2024 based on 2013 data. All details will assist in preparing a model. He welcomed the commissioners’ questions and acknowledged Mr. Sheehy is working up additional Fund Balance figures. He has reviewed the 2006 sewer rate study performed by Stantec Consulting. Underwood Engineers also favors a 10-year rate study model and recommends rate increases in three year increments. Mr. Clifton inquired of Milford’s anticipated 10 year growth rate, indicating a 1% average annual growth prediction is typical and would represent approximately 200 new accounts to Milford’s customer base over 10 years. He said the models could be adjusted to project a more conservative 0.5% growth rate, should a conservative approach be preferred, noting that most water users conscientiously conserve water and therefore water consumption is reduced. Director Boucher said he and two representatives from Underwood Engineers had previously met with the Community Development Department during aspects of the Comprehensive Wastewater Facilities Plan and near-future housing development had been discussed. Vice-Chairman White commented entrance fees would bring additional revenue. Chairman Putnam requested “last payment date” be added to future fee schedules, which Mr. Boucher will obtain from Financial Director Sheehy. During the overview of Table 7, titled Project Sewer Rate Calculation Summary, Mr. Clifton pointed out that Milford will experience negative fund balances if sewer rates are not incrementally raised. He explained that Underwood Engineers completes many rate studies with varied styles of presentation. Although Milford’s data has been arranged similarly to the previous Stantec Rate Study, he said all data can be reformatted to suit the Board of Commissioners’ preference. Mr. Clifton answered the commissioners’ questions. At Vice-Chairman White’s request, Mr. Boucher will obtain 2015 sludge disposal cost estimates from the Town of Merrimack, although a not-to-exceed 3% increase for any given year was Mr. Boucher’s recollection of the inter-municipal sludge disposal agreement. Mr. Boucher conceded anticipating costs of future projects and parts availability within an ever-changing technological environment is difficult to enter into a sewer rate study, for instance, upgrading the ultra-violet disinfection system, with respect to obtaining bulbs for an aging system which may date back to the late 1980s. He said he likes Underwood Engineers’ use of this Excel-based information for sewer project data flexibility. Mr. Clifton said after updated financial figures are available from Mr. Sheehy and the tables can be finalized, he and Mr. Boucher will meet again. He welcomed general questions of 25%, 20% or 5% increases over three years, noting that while an answer is not needed at

the moment, the commission should give thought as to what percentage would be “palatable”. Commissioner Courage inquired of the project prioritization of the nine projects appearing on the drafted Sewer Capital Improvement Program page. Mr. Boucher confirmed he agrees with these “first cut” projects appearing in the Capital Improvement Plan. The commissioners acknowledged there is still time to review and modify the list of desired projects again to include in the sewer rate study model to closely weigh costs. Mr. Courage told Mr. Clifton the commissioners will need to discuss a proposed sewer rate increase percentage, stating a 25% increase is too high. He asked Mr. Clifton whether Underwood could determine the effect upon a typical customer once a percentage rate is decided. Mr. Clifton said yes and will obtain a sampling of residential and commercial billings from Mr. Boucher. Mr. Courage said he wants an Underwood Engineers representative present at the Sewer Rate Public Hearing to present a power point presentation. Mr. Clifton said yes. Mr. Boucher said Mr. Sheehy will also attend the public hearing. At 7:35 p.m. Mr. Clifton wished the commissioners and Director Boucher a good evening.

Decisions

Approval of Meeting Minutes – Vice-Chairman White made the motion to approve the minutes of the September 2 and 16, 2014 meetings, and to table the minutes of the September 19 meeting until the commissioners meet again on October 14. Chairman Putnam seconded the motion. All voted in favor.

Leave Time Utilization Request – The commissioners reviewed and tabled Director’s Boucher’s September 30th memo requesting approval to use accrued leave time. This topic will be placed on the agenda for the October 14th meeting.

Discussion/Information Items:

West Elm Street Proposed Water Main Extension – Chairman Putnam explained he had been told two days ago that Mr. Jim Wetherbee does not have enough water capacity to flush toilets and that the Penguin Mart has the same problem. Mr. Putnam said Mr. Wetherbee acknowledged he must do something, however, he doesn’t want to put money into installing a well since the depth of Penguin Mart’s well, at 250 feet, and the Dunkin’ Donuts’ well, at 1500 feet, both produce an insufficient water supply. Mr. Putnam said he had informed Mr. Wetherbee that the Town of Milford would not be in a position to extend the water main along west Elm Street prior to April 2015. Chairman Putnam said he views this as an emergency situation and inquired whether the commission would waive policy to approve a 1” temporary water line to the rear of the Elm Street building at Mr. Wetherbee’s expense, including the digging of the needed trench. Mr. Putnam said this seemed to be the best remedy to the situation after he and Mr. Wetherbee had discussed installing/filling a larger atmospheric storage and cycling/drawing from his water pump in this manner, which would be costly and would not afford a guarantee that the water would be in the well. Director Boucher questioned whether the water supply should be verified. Vice-Chairman White inquired whether a timeframe should be established while working with this customer in need of water, should the proposed west Elm Street water main extension project not be approved during the March 2015 town meeting. Mr. Boucher said a temporary line would be difficult to remove once it is installed. Commissioner Courage said he would support Vice-Chairman White’s recommendation for an end date to a temporary water line should the town not vote in March in favor of a water main extension, since it is his opinion that the only way the proposed west Elm Street water main extension project would be achieved is through the utilization of Water Utilities Department funds and a 20 year bond due to the multitude of 2015 CIP projects for consideration by the Board of

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Selectmen, which would have a large, dramatic increase upon the Milford tax rate, should all items be approved during the town vote. He said he does not anticipate a Water Utilities warrant article proposing to extend the Elm Street water main to gain the support of the Board of Selectmen and the Budget Advisory Committee, despite being recommended and supported by the Water Commissioners. He said the warrant is a great idea, however, this year is not the right time to garner needed support by town committees and the Board of Selectmen, given all the items that will appear on the town ballot. He said the Commission must consider in advance how it would respond to future requests for water line extensions and of varying degrees of urgency; for instance, a request from a customer without water compared to a request from a person who is looking to build additional homes, and undertaken projects do not proportionately benefit all taxpayers. Further, Commissioner Courage said he would support a Water Utilities Department funded warrant article to extend the water main along Elm Street, and that this warrant article would require vigorous promotion by Chairman Putnam and Vice-Chairman White, and he said he believes the two officers can sell this 2015 warrant article. The DOT-imposed time factor due to Route 101 planned improvements and ensuing moratorium was mentioned. Chairman Putnam reiterated there are some citizens in need of water now and that Mr. Wetherbee will be looking forward to a response.

Following much discussion, Vice-Chairman White made the motion to request Director Boucher to prepare a March 2015 town meeting warrant article with a 20-year bond to extend the water main from its present Elm Street location to the location shown on the existing 2014 design plan prepared by T. F. Moran, subject to 2015 Town Meeting vote, and for the costs to be borne by users. Chairman Putnam seconded the motion. Chairman Putnam asked all those in favor. Commissioners Putnam, White, and Courage said "Aye". Motion carried unanimously. Director Boucher will request the Capital Improvement Plan be modified to reflect the withdrawal of the proposed Elm Street Water Main Extension project. He will request T. F. Moran, currently under contract with the Water Utilities Department for this project, to prepare the necessary project specifications, bid documents, as well as a list of suggested companies, as many as seven, to receive bid documents and start dates for review by the Commission. Chairman Putnam will speak with Mr. Wetherbee tomorrow regarding the terms for the temporary water connection, to be situated at the nearest water line, and will explain to Mr. Wetherbee that he must adhere to the necessary easements, state and railroad permits, and discuss the stipulation that should the proposed water main extension warrant article not be approved by votes taken during the March 2015 town meeting, Mr. Wetherbee must have a well drilled no later than July 1, 2015. Following his meeting with Mr. Wetherbee, a written agreement will be drafted and forwarded to Mr. Wetherbee for signature. Due to the wide-ranging, multi-faceted discussions concerning the proposed Elm Street water main extension project this evening, Chairman Putnam reiterated the action points for clarity and agreement.

Olive & Linden Street Water Main Project – Director Boucher apprised the commissioners of the Water Department's progress. Plans for paving were questioned and answered. Excess material will be stockpiled near the project site and Water Utilities personnel will haul material to the WWTF in anticipation of DPW's reclaiming/fine grading next year. Mr. Boucher displayed a section of the old water main pipe that had been removed and replaced.

Transportation of Dewatered Sludge – Vice-Chairman White said it is a welcomed benefit to the Water Utilities Department to receive routine interdepartmental assistance from DPW's Transfer Station personnel to routinely haul dewatered sludge from Milford to the Merrimack Wastewater Treatment Facility. While at the Transfer Station recently, Mr. White had directly solicited the truck driver's

feedback regarding container load weight distribution, transportation, and the weighing in process at the Merrimack scales. Sections of the Merrimack Wastewater Facility are currently engaged in reconstruction activities. Mr. White reported to the commissioners and Director Boucher that the driver favors consistency with respect to the biweekly weight distribution levels of the container, which result in a smoother over-the-road experience.

Activities Report – Reviewed by the commissioners. Chairman Putnam inquired of the value of scrap metal recently hauled to Manchester and forwarded to the Finance Department for deposit to the General Fund.

Miscellaneous Water Utilities Department Project Updates – Director Boucher said he expects to receive a visit from Mr. Herlihy, Wilton Sewer Commissioner to discuss the inter-municipal agreement delays. The boiler tube replacement project has been completed and checked for leaks. Mr. Boucher expects the new generator engine for Curtis Wells to be sent on October 6th.

Non--Public Session

Vice-Chairman White made the motion to go into non-public session at 8:44 p.m. for the purpose of discussing land, per RSA 91-A:3,II(d). Chairman Putnam seconded the motion. All voted in favor. Vice-Chairman White made the motion to exit the non-public session and return to the public session at 8:49 p.m. Chairman Putnam seconded the motion. All voted in favor. Chairman Putnam announced there were no votes taken during the non-public session.

Future Appointments/Meetings:

The next regular Commissioners' meeting will be Tuesday, October 14, 2014 at the Water Utilities Department, 564 Nashua Street.

Adjournment:

Chairman Putnam made the motion to adjourn the meeting at 8:50 p.m. Vice-Chairman White seconded the motion. All voted in favor.

Michael E. Putnam, Chairman

Date

Dale A. White, Vice-Chairman

Date

Robert E. Courage, Commissioner

Date